



DEPARTMENT OF THE ARMY
PROGRAM EXECUTIVE OFFICE
ENTERPRISE INFORMATION SYSTEMS
PROJECT MANAGER
LOGISTICS INFORMATION SYSTEMS
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REPLY TO
ATTENTION OF

SFAE-PS-RS-JCL

7 Sep 04

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: JCALS FY05 Hardware Maintenance Process

1. The purpose of this memorandum is twofold: to layout the APM's process for addressing JCALS hardware maintenance issues in FY05 and notify the Services of the availability in the near future of some spare components that will be made available to them to supplement their maintenance needs.
2. As you are well aware, APM JCALS has taken several initiatives to reduce the program's overall logistics footprint and bring it in line with the funding that is available for FYs 04, 05 and beyond. We are currently coordinating, with the prime contractor, the elimination and/or reduction of several test, training and operations suites that are no longer needed to support the sustainment of the SWP 3.1.2 final developed baseline, as directed by the 4 Oct 02 JCALS Acquisition Decision Memorandum (ADM). When completed, the decommissioning of these Government Furnished Equipment (GFE) suites should result in a 15-18% savings in hardware maintenance costs to the APM, due to a decrease in the total number of "calls" to support this hardware and some material costs offset by use of the decommissioned components as spares for the remaining operational suites.
3. Additional cost reductions are expected to be realized as the result of changes being introduced in the area of hardware maintenance for JCALS sites. First, the Return-to-Service (RTS) criteria for the contractor is being changed from "24-hrs" to "Best Effort". The APM pays a premium fee for the current 24-hrs RTS requirement and the success rate for meeting this RTS has rarely exceeded 85-87% over the last 6 years, despite several innovative attempts by the prime contractor to have their third-party-vendors attain this level of success. We believe that shifting to a "Best Effort" RTS for hardware maintenance will not have a significant impact on JCALS site operational capability but will yield additional cost avoidance to the program.
4. Second, while the APM will continue to fund the fee for the "call" in FY05 (the major portion of the cost of hardware maintenance is the labor), the Services are expected to fund for all material costs for required replacement parts. To aide the Services in this, the APM will offer the Services the opportunity to obtain a number of spares/components that result from the previously mentioned decommissioned GFE. By 14 Sep 04, a listing of the available equipment will be furnished to the JCALS Service Leads. Each Service can then identify which equipment they wish to utilize as replacement units or spare parts for currently fielded JCALS equipment.

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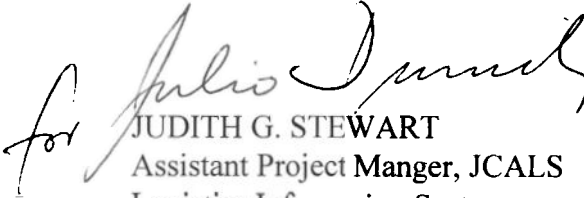
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The Services will be responsible for transportation and storage of this equipment. Thereafter, when a call is received by the Help Desk for hardware maintenance, the Services will be responsible for shipping a known spare/replacement part to the affected site or, if the part is not available from the Service, funding the APM to procure the required spare/replacement from the third-party-vendor.

5. The combined cost avoidance achieved through these initiatives will allow the APM to continue to provide a good measure of JCALS hardware maintenance for FY05. The process will be re-evaluated at a later date and adjusted, if necessary, to meet FY06 requirements. The Services will be expected to bare the entire cost for hardware maintenance starting in FY07. We expect that they are doing the necessary planning to make this happen.

6. In summary, JCALS hardware maintenance for FY05 is a combined effort of both the Services and the APM. The APM is responsible for providing a contractual vehicle for the third-party-vendor labor support. The Services are responsible for providing for all material support, either through stocking of available spares or providing funding through the APM's contractual vehicle.

7. POC for this action is Mr. Stephen Cummings, 732-532-8210 or email stephen.cummings@us.army.mil.


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